

Final Terms dated 16 October 2017

**KommuneKredit**  
**Issue of TRY 528,540,000 Fixed Rate Notes due 26 October 2020**  
**(the "Notes")**  
**Under the EUR30,000,000,000**  
**Euro Medium Term Note Programme**

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 19 May 2017. These Final Terms must be read in conjunction with such Information Memorandum.

1.	Issuer:	KommuneKredit
2.	(i) Series Number:	I17Z133801
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Turkish Lira ("TRY")
4.	Aggregate Nominal Amount:	
	(i) Series:	TRY 528,540,000
	(ii) Tranche:	TRY 528,540,000
5.	Issue Price:	99.97 per cent. of the Aggregate Nominal Amount
6.	(i) Specified Denominations:	TRY 10,000
	(ii) Calculation Amount:	TRY 10,000
7.	(i) Issue Date:	26 October 2017
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	26 October 2020
9.	Interest Basis:	10.42 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Status of Notes:	Senior
14.	Listing:	None
15.	Method of distribution:	Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	10.42 per cent. per annum payable semi-annually in arrear

(ii)	Interest Payment Date(s):	26 April and 26 October in each year commencing 26 April 2018 up to and including the Maturity Date  The period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date is called an "Interest Period".  For the avoidance of doubt, each Interest Period will not be subject to adjustment.
(iii)	Business Day Convention:	Following Business Day Convention
(iv)	Additional Business Centre(s):	London, New York and Istanbul
(v)	Fixed Coupon Amount(s):	TRY 521.00 per Calculation Amount
(vi)	Broken Amount(s):	Not Applicable
(vii)	Day Count Fraction:	30/360
(viii)	Determination Date(s):	Not Applicable
(ix)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	The words "the aggregate outstanding nominal amount" used in Condition 3(a)(A) shall be replaced by the words "the Calculation Amount".
17.	Floating Rate Note Provisions:	Not Applicable
18.	Zero Coupon Note Provisions:	Not Applicable
19.	Index-Linked Interest Note Provisions:	Not Applicable
20.	Dual Currency Note Provisions:	Not Applicable
21.	Equity-Linked Interest Note Provisions:	Not Applicable
22.	Commodity-Linked Interest Note Provisions:	Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

23.	Issuer Call:	Not Applicable
24.	Investor Put:	Not Applicable
25.	Final Redemption Amount:	Par
26.	Equity-Linked Redemption Note Provisions:	Not Applicable
27.	Commodity-Linked Redemption Note Provisions:	Not Applicable
28.	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the	Par

Conditions):

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

29.	Form of Notes:	Bearer Notes:  Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
30.	New Global Note:	No
31.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	London, New York and Istanbul
32.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
33.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
34.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
35.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
36.	Consolidation provisions:	Not Applicable
37.	Other terms or special conditions:	The final paragraph of Condition 5 is not applicable to the Notes. Instead the following shall apply to the Notes:  If the Calculation Agent determines that any amount payable in respect of the Notes on the respective Payment Business Day is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified Currency or any successor currency to it provided for by law (the " <b>Successor Currency</b> ") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payment in Euro on, or as soon as reasonably practicable after, the respective Payment Business Day on the basis of the Applicable Exchange Rate. The holders of the Notes or Cou-

ponents shall not be entitled to further interest or any other payment as a result thereof.

Any payment made in the Successor Currency or Euro in accordance with this paragraph will not constitute an Event of Default.

The "**Applicable Exchange Rate**" shall be, (i) if available, the Euro foreign exchange reference rate for the Specified Currency or the Successor Currency determined and published by the European Central Bank for the most recent practicable date falling within a reasonable period (as determined by the Calculation Agent in its equitable discretion) prior and as close as possible to the day on which the payment is made or, (ii) if such rate is not available, the foreign exchange rate of the Specified Currency or the Successor Currency against the Euro as determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner taking into account all available and relevant information in its equitable discretion.

Where:

"**Calculation Agent**" means Nomura International plc or any duly appointed successor; and

"**Payment Business Day**" means any day which is (i) a day on which the relevant clearing system(s) are operating, and which is (ii) a Payment Day.

## **DISTRIBUTION**

- |     |                                       |                          |
|-----|---------------------------------------|--------------------------|
| 38. | (i) If syndicated, names of Managers: | Not Applicable           |
|     | (ii) Stabilising Manager (if any):    | Not Applicable           |
| 39. | If non-syndicated, name of Dealer:    | Nomura International plc |
| 40. | Additional selling restrictions:      | <b>JAPAN</b>             |

A secondary distribution (Uridashi) of the Notes is scheduled to be made in Japan. The Notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, except in compliance with the terms of the shelf registration statement and the amendment(s) and the supplemental document thereto having been filed or to be filed by the Issuer with the Director of the Kanto Local Finance Bureau pursuant to the Financial Instruments and

Exchange Law of Japan in connection with such secondary distribution, or under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

#### **REPUBLIC OF TURKEY**

Pursuant to Article 15(d)(ii) of Decree 32, Turkish residents may purchase or sell any Notes (or beneficial interests therein) offshore on an unsolicited (reverse inquiry) basis both in the primary and secondary markets provided that (i) such purchase or sale is made through banks or licensed brokerage institutions authorised pursuant to the Capital Market Law No. 6362 of the Republic of Turkey and (ii) the purchase price is transferred through banks. As such, Turkish residents should use banks or licensed brokerage institutions while purchasing any Notes (or beneficial interests therein) and transfer the purchase price through banks. The Dealer has represented, warranted and agreed that it will not permit the distribution of any disclosure documents relating to the issue of any Notes in the Republic of Turkey without obtaining the necessary regulatory approvals from the Turkish Capital Markets Board and complying with the necessary regulatory requirements and solicitation rules with respect to the sale and purchase of the debt instruments under the applicable legislation in the Republic of Turkey including but not limited to those set out under Capital Markets Law No. 6362, the Communiqué of the Capital Market Board (Sermaye Piyasası Kurumu) regarding Foreign Capital Market Instruments, Depositary Receipts and Foreign Investment Funds Serial No. VII-128.4 and Decree 32.

#### **OPERATIONAL INFORMATION**

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|-----|--|--------------------------|
| 41. | ISIN Code:   | XS1687871894             |
| 42. | Common Code:   | 168787189                |
| 43. | Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): | Not Applicable           |
| 44. | Delivery:  | Delivery against payment |

45. Additional Paying Agent(s): Not Applicable
46. Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: .....

Duly authorised